

**68.200 License fee on retailers who rent out motor vehicles in counties containing a city of the first, second, or third class and for urban-counties -- Use of proceeds.**

- (1) As used in this section, unless the context clearly indicates otherwise:
  - (a) Motor vehicle means "vehicle" as defined in KRS 186.010(8)(a);
  - (b) Retailer means "retailer" as defined in KRS 139.110(1)(a); and
  - (c) Gross rental charge means "gross rental charge" as defined in KRS 138.462(4).
- (2) A county containing a city of the first, second, or third class or urban-county government may levy a license fee on the rental of motor vehicles which shall not exceed three percent (3%) of the gross rental charges from rental agreements for periods of thirty (30) days or less. The license fee shall apply to retailers who receive more than seventy-five percent (75%) of their gross revenues generated in the county from gross rental charges. Any license fee levied pursuant to this subsection shall be collected by the retailer from the renters of the motor vehicles.
- (3) Revenues from rental of motor vehicles shall not be included in the gross rental charges on which the license fee is based if:
  - (a) The declared gross weight of the motor vehicle exceeds eleven thousand (11,000) pounds; or
  - (b) The rental is part of the services provided by a funeral director for a funeral; or
  - (c) The rental is exempted from the state sales and use tax pursuant to KRS 139.470.
- (4) A fiscal court or the legislative body of an urban-county government shall provide for collection of the license fee in the ordinance by which the license fee is levied. The revenues shall be deposited in an account to be known as the motor vehicle license fee account. The revenues may be shared among local governments pursuant to KRS 65.245.
- (5) The county shall use the proceeds of the license fee for economic development activities. It shall distribute semiannually, by June 30 and December 31, all revenues not shared pursuant to KRS 65.245, to one (1) or more of the following entities if it has established, or contracted with, the entity for the purposes of economic development and is satisfied that the entity is promoting satisfactorily the county's economic development activities:
  - (a) A riverport authority established by the county pursuant to KRS 65.520; or
  - (b) An industrial development authority established by the county pursuant to KRS 154.50-316; or
  - (c) A nonprofit corporation as defined in KRS 273.161(3) which has been organized for the purpose of promoting economic development.

The entity shall make a written request for funds from the motor vehicle license fee account by May 31 and November 30, respectively.

**Effective:** July 15, 1994

**History:** Created 1994 Ky. Acts ch. 426, sec. 1, effective July 15, 1994.